

# FISCAL NOTE

**STATE OF ALASKA  
2016 LEGISLATIVE SESSION**

Identifier (file name)	Bill Version
Title	Fiscal Note Number
	( ) Publish Date
Sponsor	Dept. Affected
Requester	Appropriation
	Allocation
Governor's office	Administration
	Motor Vehicles
	Motor Vehicles
	OMB Component Number
	2348

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY17 Appropriation Requested	Included in Governor's FY17 Request	Out-Year Cost Estimates				
			FY18	FY19	FY20	FY21	FY22
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services	1.5						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>FUND SOURCE</b>		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)	1.5					
1007	I/A Rcpts (Other)						
1178	temp code (UGF)						
		<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>POSITIONS</b>	
Full-time	
Part-time	
Temporary	

<b>CHANGE IN REVENUES</b>	

**Estimated SUPPLEMENTAL (FY16) operating costs** \_\_\_\_\_ (*separate supplemental appropriation required*)  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY17) costs** \_\_\_\_\_ (*separate capital appropriation required*)  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?

If yes, by what date are the regulations to be adopted, amended, or repealed? \_\_\_\_\_ Discuss details in analysis section.

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Not applicable, initial version

Prepared by	Marla Thompson, Direction
Division	Motor Vehicles
Approved by	Sheldon Fisher, Commissioner
Agency	Department of Administration

Phone	907-269-5574
Date/Time	_____
Date	_____

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. 0

### Analysis

REAL ID is the Federal Government's program to improve the reliability and accuracy of state-issued identification documents. In 2008 the Alaska Legislature passed a law prohibiting the use of state funds to implement the REAL ID act in Alaska. If Alaska is not compliant with the REAL ID act by June 6, 2017, Alaska issued driver licenses and state identification cards (ID) will no longer be accepted as a form of identification at military bases or other federal facilities. Alaskans will need to present a passport or other federally issued id to gain entry to a federal facility.

If the state of Alaska is not compliant by January 22, 2018, Alaska issued driver licenses or state id cards will no longer be accepted for air travel. An alternate form of identification such as a passport or other federally issued id will be needed to board an aircraft.

#### **Initial development cost to DMV:**

DMV will need \$1.5 million to become REAL ID compliant.

The breakdown for the funding is as follows:

\$100,000 - Integration of the Systematic Alien Verification for Entitlement (SAVE) program

\$400,000 – Integration of Real ID in the State Pointer Exchange System (SPEXS)

\$100,000 – Integration of the National Association for Public Health Statistics and Information Systems (NAPHSIS) program

\$500,000 – Photo First equipment and system development for DMV offices (includes creation of new image repository)

\$400,000 – Development work for card printing contractor including software update, card templates

#### **Other considerations and ongoing expenses:**

The production cost of a REAL ID compliant driver license or state id will increase and DMV will need an increment to cover the cost. At this time a driver license or state id costs \$1.92 to produce and mail. The exact cost of a REAL ID compliant driver license or state id is unknown, but it is likely to cost up to \$3 per card more due to the additional designators and security features needed on the new card. The verification of vital events (EVVE) program also carries \$2 per verification fee. Based on 2015 figures, these two additional expenses will result in increased operating expenses of \$1,800,000 for the first year. However, a proposed DMV fee increase revenue to the General Fund approximately \$5,000,000 per year.

DMV is in the processing of replacing our Alaska Licensing and Vehicle Information Network (ALVIN) system which is scheduled to go live in December 2017. We will be unable to implement REAL ID until our new system is in use at all DMV offices.